

GUARDIAN INVESTMENT MANAGEMENT
FORM ADV PART2A
April 30, 2013

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This Brochure provides information about the qualifications and business practices of Guardian Investments. If you have any questions about the contents of this Brochure, please contact our Chief Compliance Officer, Stephen A. Ethridge using the information above. The information in this Brochure has not been approved by the United States Securities and Exchange Commission (SEC) or by any state securities authority. Although all of our Partners and key employees have advanced degrees and/or professional designations. Guardian's registration as an investment adviser does not imply any specific level of skill or training. More information about Guardian Investments can be found on the SEC's website at www.advisorinfo.sec.gov.

Material Changes since our last filing:

Stephen A. Ethridge and Matthew D. Zuck have joined the firm as partners as of May 1, 2013.

DISCLOSURE STATEMENT

The Securities and Exchange Commission requires that all registered investment advisors provide certain information to all existing and potential clients. This statement conforms to those requirements.

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OVERVIEW

Robert Tomasello and Donald Hansen formed Guardian Investment Management in 1976 as a partnership. We have continuously offered investment advice to our clients during this period. Investment management is the only business and exclusive source of income for Guardian. We do not offer or sell any other type of service. We do not share in any compensation with respect to security trade commissions. We are not registered as a broker nor are we affiliated with any broker, dealer, investment company or other investment adviser. We do not buy or sell securities as principal with respect to security trades. Guardian Investments is owned and operated by the active Partners listed at the end of this document.

As a Fiduciary, we offer independent and unbiased investment management. Our primary focus is on preservation of capital and protection from inflation. Our business consists of managing security accounts, each of which uses as custodian, a bank, or broker selected by the client. We hold a limited power of attorney that authorizes us to buy or sell securities. Although we do not consult with clients prior to individual security purchases and sales, occasional consultations are held to discuss general matters such as how the account managed by Guardian Investments relates to the client's other assets and requirements. Some clients impose restrictions on investment in certain securities or types of securities. Client portfolios are invested in stocks, taxable and tax-exempt bonds, and short-term instruments such as Treasury bills and money market funds. A separate account is maintained for each client.

To the extent any client is a retirement plan or other employee benefit plan subject to the Employee Retirement Income Security Act of 1974, as amended ("ERISA"), and depending upon the investment management services provided by us, the Firm may be considered a "fiduciary" under ERISA.

Guardian operates under an Investment Management Agreement with each client. For new clients, following the initial execution of this agreement, it may be terminated at any time by either party on five calendar days' written notice delivered to the other without payment of penalty and without liability of either party to the other. For existing clients, this agreement can be terminated at any time.

All of our clients use a custodian bank or a brokerage firm as custodian. We do not have custody of client's securities or cash assets. Every portfolio is managed separately to meet the specific goals of the individual client. Although most of our clients are individuals or trusts, we also offer advice to retirement accounts and tax free organizations. As of December 31, 2012 our total assets under management was \$157,643,789. Of this total \$126,984,689 was discretionary management.

We furnish quarterly portfolio valuations to our clients. These reviews include the current value and cost basis of each security, and the current value and allocation

of the total portfolio. In addition, the custodians also issue monthly statements and copies of all confirmations to the client.

CONFLICTS OF INTEREST

It is very important to address various areas of potential conflict of interest in the investment management business to reassure our clients. Potential areas to review should include: partners personal trades, use of commissions (soft dollars), use of Limited Power of attorney, and custody of assets. Transactions for clients always have priority over the personal trades of our partners. Our trades at Schwab are electronically executed on the web, and the commissions are minimal. We do not use commissions to buy brokers research. Our Limited Power of Attorney does not allow us to withdraw funds from a client's account: it only allows us to buy or sell securities. One of the most important protections for our clients is the use of an independent custodian. A custodian is charged with the responsibility to keep each account separate and to only accept instructions that a client approves. The custodian also issues a monthly statement that show all of the activity in the account. Our clients should review the monthly statement to assure that the advisors reports are accurate, and that the advisor is adhering to the agreed investment objectives.

FEE STRUCTURE

1% on the first \$2,000,000

6/10 of 1% above \$2,000,000

Fees are negotiable, depending on the equity/bond allocation in the portfolio. We compute the fees based on the portfolio valuation as of the end of each quarter, and the fees are for the following three months, so they are paid in advance. If the investment management contract is canceled during the quarter, the client will receive a refund for the pro-rated number of days remaining during the quarter. Most of our clients' quarterly fees are deducted from the custodian account. A few clients are billed directly per their request. Clients who have chosen to have a bank custodian will also pay a custodian fee. Our fees are based only on the assets under management. The minimum account size that we accept is \$1,000,000. We do not use performance based fees.

In addition to investment management fees, clients will pay commissions to their broker / custodian upon the purchase or sale of an investment (see Broker Practices on page 6). In most cases, investment management fees are deducted directly from clients' account by Guardian Investments and clients receive a "notification only" bill. We believe these fees are similar to those charged by many other investment counseling firms for similar services; however, comparable service may be available from other sources for lower fees.

TYPES OF CLIENTS

Although most of our clients are individuals, some clients are trusts, charitable foundations, retirement plans, estates, and corporations. Minimum dollar valuation for starting an account is \$1,000,000. Under special circumstances, smaller accounts are occasionally accepted.

INVESTMENT PHILOSOPHY

Our investment approach consists of fundamental analysis, as opposed to technical or quantitative strategies. We study company financial statements and reports, industry trends and conditions, and general business conditions. Principal sources of information are (1) the company's annual report, prospectus, Form 10-K and press releases, (2) various trade publications, (3) general business periodicals, newspapers and the internet, (4) brokers' reports, and (5) meetings or phone conversations with company officers.

Common stocks provide the potential for growth and contribute a steadily rising income stream as dividends increase. Typically, we maintain the stock portion of a client's portfolio with a target of 60-65% of the total value of the account. Other targets are occasionally utilized to meet specific client needs. Our approach to stock selection is conservative and income-orientated, concentrating on financially strong companies with medium to large capitalizations. We generally select stocks paying dividends, where our fundamental analysis suggests good prospects for additional profit and dividend growth. A typical portfolio contains 25 to 35 stocks.

The bonds in a portfolio normally are intended, in part, to reduce volatility. We select high quality bonds - U.S. Government issues, municipal bonds, and corporate bonds; with maturities ranging up to 10 years. Usually, about 30 to 35 percent of a portfolio is invested in bonds. Assets not invested in stocks or bonds are invested in cash equivalents including CD's, money market funds and Treasury bills, in order to maximize short-term returns. In a limited number of accounts, Guardian uses a "covered call strategy" to generate income for clients on concentrated positions and in other circumstances.

We are long-term investors – not speculators – and our investment philosophy is conservative in nature. However, clients should recognize that investing in any type of stock or bond security poses some level of risk. In our initial discussion with potential clients we will quantify and discuss the volatility inherent in investing in more detail. Individual securities in specific and, more broadly, economic, environmental, political and market developments can result in the value of investments declining. There is no guarantee of investment return and past performance is no guarantee of future success.

DISCIPLINARY INFORMATION

Guardian Investments hereby certifies that neither the firm nor any Partners or employees of the firm are presently debarred, suspended, proposed for debarment, or denied the ability to actively participate in the investment industry. Guardian Investments as a firm, and all Partners and employees of the firm, have never been convicted of, or had a civil judgment rendered against them for any reason, and are not presently indicted for, or otherwise criminally or civilly charged by any governmental entity with commission of any offense. This certification extends for every Principal and employee of Guardian Investments for the 37 year history of our Company.

OTHER FINANCIAL INDUSTRY ACTIVITIES AND AFFILIATIONS

Guardian Investments is an independent investment advisor, unaffiliated with any other financial institution or securities dealer or issuer. We recommend that our clients custody their assets with Charles Schwab & Co., Inc., ("Schwab") or Fidelity Investments, Inc. ("Fidelity") both SEC registered broker-dealers and members of FINRA and SIPC. Although we recommend that our clients custody their investment accounts at Schwab or Fidelity, we have no affiliation with these brokers, do not supervise their custody or brokerage activities and are not subject to their supervision.

Although we may refer our clients to other professionals such as attorneys or accountants for estate planning, tax or other matters, neither the Firm nor its partners or employees are affiliated with any law or accountancy firm.

CODE OF ETHICS, PARTICIPATION/INTEREST IN CLIENT TRANSACTIONS, PERSONAL TRADING

Guardian Investments' Code of Ethics is applicable to all Partners and employees of the Company. Our full Code of Ethics is available upon request. While proper and ethical behavior is expected of every principal and employee in all aspects Guardian's following Fundamental Standards will serve as a basic guideline for our Firm:

1. Partners and employees will place the interests of our clients first at all times.
2. Partners and employees will conduct all aspects of their personal business in such a manner as to avoid any actual or potential conflict of interest or any abuse of their position of trust and responsibility.
3. Partners and employees will not take inappropriate advantage of their positions.

With regard to compliance with SEC regulations on insider trading, transactions for clients always have priority over the personal transactions of partners and

associates. Personal transactions of partners/associates never operate adversely to clients' interests. Partners and associates occasionally buy or sell securities bought or sold for clients. Partners/associates are required to conduct all aspects of their personal business in such a manner to avoid any actual or potential conflict of interest. Partners/associates are prohibited from placing personal trades for securities when there are open client orders for that security. This effectively means that all trades for partners/associates take place at the end the day after all client trades have been completed. The one exception would be periods when the firm makes a series of transactions in a given security for client accounts over a period of several days. In this case, no personal trades in this security would be allowed until after all client transactions are complete. The company maintains a file (updated quarterly) on all partners' and associates' transactions involving the purchase and sale of equity securities.

BROKER PRACTICES

Client accounts are usually held in custody at the major broker Charles Schwab & Co., We have made arrangements with Schwab for brokerage and custody at commission rates substantially lower (averaging under \$10 per trade) than regular "full service" brokerage accounts. Our written Investment Management Agreement with our clients grants us authority to negotiate lower commissions, and we have done so wherever possible. In a limited number of circumstances, we execute trades at a broker other than the client's custodian solely to improve pricing/execution. A few brokers voluntarily send us research reports; however, this is not a factor in our selection of custodians or allocation of trading, nor is it a factor in our negotiating lower commissions. We do not use "soft dollars" to buy research. We do most of our research ourselves and it applies to all our clients.

Guardian may aggregate multiple client trades into a single transaction when it is determined that aggregation is consistent with the Firm's duty to seek best execution, consistent with the investment objectives for the client accounts participating in the trade and that aggregation would be in the best interests of the participating clients. We will purchase or sell a security as one aggregated trade through a selected broker and then allocate that trade among the clients that have selected that broker as their custodian. We then repeat that process for clients who have selected other brokers until the total transaction has been completed for all clients. Although price and transaction costs may vary from broker to broker, within each group of clients who share the same broker, average share price and transactions costs are shared on a pro rata basis. Orders are placed with the small number of retail brokers utilized by some clients first in order to ensure that a connection is made with the broker during the trading day. All other brokers are traded on-line. The sequence in which aggregated trades are placed with each broker group varies based on the size of the order and the liquidity of the security in the marketplace.

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Key employees of Guardian are listed below. Guardian has made a specific effort to build a multi-generational team in order to ensure the continuity of the Firm so that clients will always have a reliable and continuing sources of investment advice.

PARTNERS

Robert Tomasello – Bob – is a native San Franciscan. After graduating from the University of San Francisco, Bob joined Bank of America as an investment officer. His experience at B of A was invaluable in starting Guardian in 1976. Bob brings over 40 years of investing experience to Guardian. Bob's civic activity includes an active role as Chairman of the Board of Sutter West Bay Hospitals. He spends 3 to 4 hours a week on this service.

Donald Hansen – Don – graduated from the University of Iowa in 1961 and spent 4 years as an officer in the U. S. Navy. After his discharge, Don spent 4 years with Dean Witter, before joining Bank Of America as an Investment Officer and founder of their Investment Counselling Department. Don brings over 45 years of investment experience to Guardian, and is a member of the CFA Institute and the CFA Society of San Francisco.

Stephen A. Ethridge – Steve - Prior to joining Guardian, Steve was a principal at the San Francisco-based Investment Counseling firm Stewart and Patten Co., LLC from 1993 until 2013. Stewart and Patten managed \$725 million in client assets.

In 1999 and early 2000, Ethridge helped to establish and served as the interim CFO of *Military.com / Military Advantage*, now the premier on-line site for the Country's 40 million Active Duty, Reserve, Retired and Veteran service members and families. The Company was sold to Monster Worldwide, Inc. in early 2004.

From 1991 until 1993, Steve was a Vice President at BTR Capital Management in San Francisco. From 1988 to 1989, Steve worked at Merus Capital Management/The Bank of California. In 1989, with the entire Merus management team's departure from the bank, he helped to form Spare, Kaplan, Bischel and Associates, where he was a Vice President until 1991.

Steve's military background includes service as an active duty U. S. Navy Supply Corps Officer from 1981 until 1988. Following active duty, he continued to serve in the Navy Reserve in numerous assignments, including tours as Commanding Officer of two separate Navy Reserve units. He retired as a highly decorated Captain in June of 2005, after 24 years of active and reserve service.

Steve is a native of Vicksburg, Mississippi and completed his undergraduate studies at the University of Mississippi in 1981. He earned a MBA Degree from the University of Colorado in 1989. He volunteers his time as Vice Chairman of the Business Advisory Board at the University of Mississippi School of Business and as a Trustee of the Fraternal Care Trust for the Franciscan Friars in California. He, his wife, and his two sons reside in Marin County.

Matthew D. Zuck, CFA- Matt- Matt has 18 years of experience in portfolio management and consulting. Prior to joining the firm he worked as the Director or Research for Alan Biller & Associates, managing a group of 8 professionals analyzing assets classes and investment managers supporting approximately \$60 Billion in client assets. Before that, he was a Principal and Senior Vice President at SKBA Capital Management where he was one of the four members of the investment team for the firm's investment products. Mr. Zuck also worked at Factset Research Systems as a Product Developer and Senior Consultant.

He holds the Chartered Financial Analyst (CFA) designation and is a member of the CFA Institute. Since 2011, he has also coordinated the CFA San Francisco Regional of the University Research Challenge. Mr. Zuck earned M.B.A. degrees from the Haas School of Business, University of California, Berkeley and Columbia Business School in New York, and a B.A. in Philosophy, Politics and Economics from Pomona College.